
OLR Bill Analysis

sHB 6566

AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.

SUMMARY:

This bill requires specified state agencies to create online electronic databases allowing people to search, retrieve, and download economic development, budgetary, and financial data. It specifies the type of data the agencies must provide, the period, and the deadlines for creating and updating the databases.

The bill also requires the Department of Revenue Services commissioner to develop a plan for preparing periodic online reports on how each state tax generating \$100 million or more affects different groups of people and businesses (i.e., tax incidence study). The plan must include cost estimates for reporting and posting the tax incidence study. The commissioner must prepare the plan in consultation with the Office of Policy and Management (OPM) secretary and submit it and implementing recommendations to the Finance, Revenue and Bonding Committee by January 1, 2014.

EFFECTIVE DATE: July 1, 2013, except for the provision governing the budgetary databases, which takes effect upon passage.

ECONOMIC DEVELOPMENT DATABASE

Format

The bill requires the Department of Economic and Community Development (DECD) commissioner to create databases on the department's website allowing people to access information about economic development assistance given to attract or retain businesses. The databases must specifically allow people to search and download different data sets about businesses and the assistance they received from DECD, Connecticut Innovations, Inc. and the Capital Region

Development Authority.

Content

The bill specifies the type of data DECD must include in the databases, distinguishing between (1) grants, loans, tax abatements, and business tax credits provided under the economic development statutes and (2) tax credits authorized under the insurance premium, corporation business, and personal income tax statutes, respectively. In either case, the databases cannot include any information that cannot legally be disclosed.

Economic Development Assistance. The databases on assistance provided under the economic development statutes must include:

1. the name and principal location of each entity that received economic development assistance, excluding an individual's residential address and other information that cannot be released under state and federal law;
2. the purpose, amount and type of, and statutory authority for, the assistance and the agency that provided it;
3. the number of people each recipient employed and the number of jobs that were created or retained, if available;
4. the terms and conditions imposed on each recipient and whether it has complied with them; and
5. an analysis of the net direct and indirect economic benefits of the assistance and how it affected state taxes, if available.

These databases must provide data for assistance the agencies granted for the fiscal years ending on or after June 30, 2008.

Business Tax Credits. The databases on the business tax credits must sort the recipients by (1) industry sector based on the *North American Industrial Classification System United States Manual, 2007 edition* and (2) within each sector, by net and gross income. The sector-by-sector breakdown must also provide:

1. each recipient's net and gross income;
2. the purpose, amount, and statutory authority for each credit and whether it was earned, claimed, and carried forward;
3. the number of people the recipient employed and the number of jobs it created or retained, if available; and
4. the results, by sector, of DECD's most recent analysis of the economic and employment impact of each credit and the net state revenue it generated, as reported in DECD's three-year assessment of state business tax credit and abatement programs.

The databases for the credits must provide data for the credits the agencies granted for the tax years beginning on or after January 1, 2007.

Availability

The DECD commissioner must create the databases in collaboration with the revenue services commissioner by January 1, 2014, and make them available on each state agency's website by that date. DECD must annually update the databases, which must be available on the agencies' websites by November 1, following the start of each fiscal year.

The bill also requires the sites to provide explanations of the method and assumptions DECD used to (1) create the databases and (2) analyze the economic and revenue effects of the economic development assistance and tax credits.

BUDGETARY DATA

The bill requires OPM and the Office of Fiscal Analysis (OFA) annually to provide a list of all line item appropriations on their respective websites in databases that people can download. OPM must do this when the governor sends his proposed budget to the legislature. OFA must do it within 30 days of the governor's signing of the budget act.

FINANCIAL DATA

The bill requires the Comptroller to post on his website any financial tables included in his annual report, which is due December 31. He must post the tables in a database people can download. By law, the report must include expense and revenue statements for each state agency receiving general fund appropriations, tax receipt statements, and year-end fund balances.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 5 (04/12/2013)